
Department of Finance
Taking Steps to Improve Internal Controls Over City-wide Travel Expenditures
EXECUTIVE SUMMARY

The Seattle Municipal Code (SMC) allows City officers and employees travel expense reimbursement for reasonable and necessary expenses involving City business travel. SMC also authorizes the City Finance Director to promulgate travel rules and regulations. For the past four years, the City of Seattle has spent approximately \$1.2 million per year for employee-related travel expenses.

As part of our 1995-96 biennial work program, we reviewed the City of Seattle's city-wide travel policies and practices. Specifically, our objectives were to:

- determine whether adequate controls exist to prevent unauthorized travel expense reimbursement;
- determine the role the Department of Finance provides in monitoring City-wide travel policies and practices; and
- examine the City Departments' authorization and payment of travel and subsistence expenses to identify potential process improvements.

We found that the City departments we reviewed appear to have proper controls in place to prevent unauthorized use of travel funds. For example, their travel reimbursement systems include, among other things: adequate segregation of duties, clear and prompt documenting and recording of travel events, management review of employees' travel requests, and controls which only allow authorized individuals access to resources. However, we also found that many City employees are not requesting government discount rates at hotels and that the City could save money if employees consistently requested these rates.

We worked with the Department of Finance to identify steps it can take to fulfill its responsibilities as outlined in the Seattle Municipal Code. These steps include: updating and developing new policy guidance for departments; notifying employees to request government discount rates at hotels; periodically verifying a sample of travel vouchers from City Departments; and providing training to departments in response to changes to City-wide travel policies and practices.

Finally, we found that various options exist for streamlining the authorization, accounting, and reporting of travel and training expenditures. These options include upgrading the Seattle Financial Management System (SFMS) and enhancing its reporting capability or developing a stand alone system for travel and training. A third option is to enhance the City's new Human Resource Information System (HRIS) by adding a travel and training component. In the next two years, we suggest the City Executive evaluate the cost-effectiveness of automating and streamlining the City's travel and training system. This evaluation should take place after the major policy decisions regarding SFMS have been made and HRIS has been successfully implemented and deployed City-wide.

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Abbreviations

HRIS	Human Resource Information System
OIR	Office of Intergovernmental Relations
OMP	Office of Management and Planning
SAO	State Auditor’s Office
SFMS	Seattle Financial Management System
SMC	Seattle Municipal Code

PURPOSE

As part of our 1995-96 biennial work program, we reviewed the City of Seattle's City-wide travel policies and practices. We timed our work to assist Office of Management and Planning (OMP) and the Travel Practice Users Group in their review of the City's current travel practices. Specifically, our objectives were to:

- determine whether adequate controls exist to prevent unauthorized travel expense reimbursement;
- determine the role the Department of Finance provides in monitoring City-wide travel policies and practices; and
- examine the City Departments' authorization and payment of travel and subsistence expenses to identify potential process improvements.

SCOPE AND METHODOLOGY

To accomplish our audit objectives, we reviewed City of Seattle and Washington State travel laws and regulations and worked with the Department of Finance to document their role in monitoring City-wide travel policies and practices. We reviewed the State Auditor's February 1995 audit of the City of Seattle's travel policies and practices, interviewed the staff who conducted the audit, and examined their workpapers. To gain a better understanding of departments' internal controls over their travel systems, we judgmentally selected the Fire Department, Seattle City Light, and the Office of Intergovernmental Relations for our review. Together, these departments accounted for 35 percent of total City-wide travel expenditures in 1994. We interviewed officials from these three departments who are responsible for performing or monitoring travel-related duties and documented their travel authorization and reimbursement processes. We reviewed a sample of travel vouchers from these three departments to determine whether City employees were taking advantage of government discount rates at hotels. Finally, we discussed potential process improvements to the City's travel system with staff from the OMP, Personnel and Department of Finance. We performed our field work between May and August 1995, in accordance with the generally accepted government auditing standards.

GENERAL BACKGROUND

The Seattle Municipal Code (SMC) Chapter 4.72 allows City officers and employees travel expense reimbursement for reasonable and necessary expenses involving City business travel. The rates for reimbursement for meals and lodging are based upon the Runzheimer Meal and Lodging Cost Index, which provides maximum allowances for meal and lodging expenses for cities in the United States and Canada. In addition, SMC stipulates that if an employee is attending a conference or similar event, the allowable reimbursement is limited to cost of lodging arranged by the sponsors of such event.

SMC, Subchapter 4.72.080, authorizes the City Finance Director to promulgate travel rules and regulations. The Department of Finance has a part-time City-wide Travel Coordinator on staff, to assist the Finance Director in fulfilling his duties. Among other things, the City-wide Travel Coordinator: responds to questions from departments regarding travel regulations, reviews Seattle Financial Management Systems (SFMS) reports for outstanding cash advances, and consolidates the annual City-wide travel report.

For the past four years, the City of Seattle has spent, on average, \$1.2 million per year (or \$129 per employee) for employee-related travel expenses. These travel expenditures include the cost of airline tickets, hotel rooms, meals, car rentals and other necessary expenses related to conducting City business. (See Addendum A for a summary of City of Seattle travel expenditures by department.) To provide some perspective on how these expenditures compare to other cities' expenditures, we gathered data from the City of Portland, Oregon. Table I compares the City of Seattle's and the City of Portland, Oregon's annual travel expenditures since 1991.

Table I: City of Seattle and City of Portland, Oregon Travel Expenditures 1991-94

Year	City of Seattle Travel Expenditures	City of Seattle Travel Expenditures Per Employee	City of Portland Travel Expenditures	City of Portland Travel Expenditures Per Employee
1991	\$1,126,000	\$122	\$593,000	\$134
1992	\$1,137,000	\$124	\$579,000	\$125
1993	\$1,153,000	\$124	\$640,000	\$137
1994	\$1,375,000	\$146	\$761,000	\$156

**OMP Leading Effort to
Improve City's Travel
Policies**

The City of Seattle's Office of Management and Planning (OMP) is undertaking a major effort to improve city travel policies and procedures and generate cost savings. This initiative, developed as part of OMP's Innovation Project, is called the Travel Savings Project. This project grew out of concern expressed by City employees about the cost of city travel - particularly airfare. As part of this project, OMP staff recently conducted a review of the City's current travel practices and a general assessment of the travel industry to provide the Mayor with options for realizing efficiencies and cost savings.

To solicit input from the Departments, OMP set up a Travel Practices Users Group composed of all the travel coordinators from the various City Departments. Since January 1995, the Travel Practices Users Group has met periodically to discuss the departments' travel policies and practices and review various travel options. A Travel Policies Subcommittee was also formed to discuss changes in the City's travel policies and procedures.

The Users Group considered various options for improving the City's travel practices. Some of the options they considered were to: provide employees who travel frequently with credit cards to reduce the need for cash advances and enhance management reporting capability; contract with a travel agency to provide one point of contact for all city travel arrangements; and provide access to discount airfares

from the airline industry. The group also discussed whether the City should exercise an option to join the State of Washington's contract with American Express for a corporate travel card program and with three airlines for discount airfares.

Based on these discussions, on May 1, 1995, OMP presented the Mayor's proposal to the City Council Finance and Budget Committee, including recommendations to:

- Establish a contract with one travel agency to make all the arrangements for City business travel, including transportation and lodging.
- Explore options for establishing a contract for a business travel charge or credit card.
- Seek the best method for achieving lowest discounted airfares, especially for last minute travelers.

The City Council Finance Committee supported the Mayor's recommendations and OMP is currently in the process of implementing them. OMP is issuing a Request For Proposal (RFP)¹ to contract with one travel agency and an Invitation to Bid (ITB)² to contract with a credit card company. OMP staff are waiting to negotiate discount fares with airlines until sufficient data is available regarding which carriers employees use most frequently. The City expects the travel agency with whom it contracts to help compile this information.

¹ A **Request for Proposal (RFP)** is a request to vendors in which the City describes the function it hopes to achieve in general terms and asks vendors to propose means by which the City can best achieve the function. Factors other than price are considered in making the award and the final terms of the award may be negotiated between the City and the vendor. Generally reserved for high dollar acquisitions, e.g. over \$500,000.

² An **Invitation to Bid (ITB)** is a request to vendors in which the City provides detailed specifications, including technical requirements and contractual terms and conditions, which the vendor must agree to meet. The City awards to the lowest bidder who meets the specifications, terms and conditions of the ITB.

RESULTS OF OUR WORK

The City Departments’ Travel Systems We Reviewed Appear to Have Proper Controls in Place

We reviewed the travel policies and practices of selected City Departments to determine the adequacy of the departments’ internal controls over the travel reimbursement process. We judgmentally selected the Fire Department, Seattle City Light and the Office of Intergovernmental Relations (OIR), which together accounted for 35 percent of total City-wide travel expenditures in 1994, for our review. The following table summarizes the travel expenditures of the City Departments we reviewed.

Table II: 1994 Travel Expenditures for OIR, the Fire
Department, and Seattle City Light

Department	1994 Travel Expenditures	Department’s Percentage of Total City Travel Expenditures
OIR	\$ 63,429	5%
Fire	\$109,188	8%
Seattle City Light	\$303,416	22%
Total	\$476,033	35%

We reviewed the systems and processes these departments have in place for ensuring that City funds are spent in compliance with state and local laws and regulations (see Addendum B for an overview of the Fire Department, Seattle City Light, and OIR travel practices). We concluded that these three departments appear to have adequate internal controls in place to prevent unauthorized use of travel funds. For example, their travel reimbursement systems include: adequate segregation of duties, clear and prompt documenting and recording of travel events, management review of employees’ travel requests, and controls which only allow authorized individuals access to resources.

In addition, in February 1995, an audit of the City of Seattle’s travel expenditures was performed by the State Auditor’s Office (SAO). For this audit, SAO reviewed City-

wide travel policies and procedures and verified selected travel vouchers from a sample of City Departments³. The SAO verified whether the travel vouchers were: authorized properly, pertained to travel undertaken for a valid City purpose, and had costs in compliance with state and local laws and regulations. Based on this work, SAO concluded that the City Departments they reviewed have adequate controls for compliance with the employee travel program.

City Could Save Money if Employees Consistently Requested Government Discount Rates for Hotels

We also performed work to find out if discount hotel rates are available to local government employees, and if so, whether City employees are making use of these rates where applicable. We found that although most of the hotels in high cost areas do offer government discount rates, many of the City employees we interviewed were unaware these rates existed, had not asked for them, and therefore had not received the discount. Based on our finding, the Department of Finance is currently in the process of informing City employees that many hotels do offer government discount rates and is reminding them to request these rates when making hotel reservations.

To determine whether City employees are requesting government discount rates when making hotel reservations for official City business, we reviewed a sample of travel vouchers from the Fire Department, Seattle City Light and the Office of Intergovernmental Relations (OIR). We selected a sample of seventeen travel expense vouchers from these three departments. We deliberately selected vouchers for hotels in high cost areas because these areas are more likely to have government discount rates. Using the information on the seventeen travel vouchers selected, we identified where City employees stayed for their business travel and the rates they were charged.

We contacted all the hotels identified in our sample to determine if they provide government discount rates and if so, what the rates are. With one exception, all the hotels in our sample provide government discount rates that are applicable to City employees (See Table III). These government discount rates are substantially less than the

³SAO randomly selected vouchers from the Department of Administrative Services (DAS), the Department of Housing and Human Services (DHHS), and the Police Department, for the months of March, August, and November 1994, and also tested the two most expensive travel vouchers submitted in 1994 by a selected sample of department heads, including: DAS, Police department, Fire department, Seattle City Light, and the Mayor's Office.

regular rates and in most cases, are lower than the hotel rates available for group conventions or seminars. However, most hotels reserve only a limited number of rooms at the government discount rate, and employees may need to make reservations early to get these rooms. Most of the hotels we contacted told us that they only require business cards and driver's licenses at check-in as proof of government employment.

Based on the information gathered, we prepared a summary table which includes a comparison of the actual hotel rates paid by employees to the government discount rate hotel staff told us were available (See Table III below). We found that out of sixteen⁴ employees:

- eleven paid higher than the government rates (for a total of \$812 in potential "overpayments");
- three paid the government rates; and
- two paid convention/seminar rates which were lower than the government rates.

We contacted ten of the City employees in our sample who paid rates higher than the government discount rates to determine why they did not take advantage of the lower rates. We asked the City employees who made the hotel reservations if they had requested government rates when they made the reservations. Seven of the ten employees stated that they did not request government rates because either: (1) they did not know anything about government rates, or (2) they received seminar/convention rates from the hotels. Two employees said they had reserved the rooms at the government rate, even though our records show that they paid higher rates. One employee requested the government discount rate but was unable to get it because there were no more rooms available at this rate.

⁴ One hotel did not provide a government rate.

Table III: Comparison of Hotel Rates

Date	Hotel ^a	Location	Actual Hotel Rates Paid Per Night ^b	Government Rates Per Night Quoted By Hotels ^b	Diff. Between Actual and Gov. Rate	# of Night Stayed	Total Potential Savings if Gov. Rates Rooms Were Available	Did Employee Request Gov. Discount Rates
12/14/94	Holiday Inn	Portland, OR	\$81.75	\$72.30	\$9.45	2	\$18.90	NO
1/9/95	Alexis Park	Las Vegas, NV	\$102.60	\$96.12	\$6.48	4	\$25.92	NO
1/15/95	Holiday Inn	Phoenix, AZ	\$86.31	\$61.15	\$25.16	6	\$150.96	YES ^d
1/17/95	Hilton	San Francisco, CA	\$107.52	\$106.40	\$1.12	1	\$1.12	
1/18/95	Red Lion	Portland, OR	\$117.72	\$76.30	\$41.42	1	\$41.42	NO
1/24/95	Monterey Plaza	Monterey, CA	\$154.00	\$81.40	\$72.60	2	\$145.20	NO
1/29/95	Hyatt Regency	Washington DC	\$154.81	\$130.32	\$24.49	4	\$97.96	NO
1/31/95	Hyatt Regency	San Francisco, CA	\$143.36	\$125.44	\$17.92	5	\$89.60	YES ^d
1/31/95	Hilton	Sacramento, CA	\$86.24	\$88.48	(\$2.24)	2	(\$4.48)	
3/11/95	Embassy Row	Washington DC	\$148.40	\$114.00	\$34.40	3	\$103.20	NO
3/27/95	Loews New York	New York, NY	\$136.77	\$159.42	(\$22.65)	4	(\$90.60)	
4/12/95	Capitol Hill Suites	Washington DC	\$113.94	\$113.94	\$0.00	2	\$0.00	
4/18/95	Hyatt Regency ^c	Reston, VA	\$101.18	N/A	N/A	6	\$0.00	
4/23/95	Hyatt Regency	Denver, CO	\$77.00	\$77.00	\$0.00	1	\$0.00	
5/23/95	Hyatt Regency	Denver, CO	\$125.22	\$77.00	\$48.22	2	\$96.44	YES ^e
5/27/95	Stouffer Renaiss.	Nashville, TN	\$77.46	\$67.35	\$10.11	4	\$40.44	NO
6/16/95	Carlton	Washington DC	\$159.70	\$159.70	\$0.00	5	\$0.00	

^a All the hotels surveyed were in high cost areas.

^b The hotel rates include taxes.

^c The hotel provides government rates to Federal and State of Virginia employees only.

^d Employees said they had reserved the rooms at the government rate but the records show they paid a higher rate.

^e Government rate room was not available at the time.

Department of Finance Plans

The Seattle Municipal Code (SMC), Chapter 4.72, Subchapter 080, authorizes the City Finance Director to

**Additional Efforts to Fulfill
Its SMC Responsibilities**

promulgate travel rules and regulations and assigns the Finance Director the responsibility for establishing standards and procedures for effectively carrying out the requirements of the code. According to the Department of Finance's Accounts Payable manual⁵ this authority includes the right to monitor City Departments' travel policies and practices, including how the departments reimburse employees for travel expenses. In addition, SMC Subchapter 4.72.090 requires the City Finance Director to prepare an annual travel expenditures report for submission to the Mayor and City Council.

Because of these requirements, we worked with the Department of Finance to identify steps it can take to ensure that it is fulfilling its SMC responsibilities. The Department of Finance has agreed to:

1. update and develop new policy guidance for departments,
2. periodically verify a sample of travel vouchers, and
3. provide training to departments in response to changes to City-wide travel policies and practices.

The City of Seattle's Accountant's Handbook⁶ contains the Department of Finance's most current guidance to departments on how to handle employee travel requests and reimbursements. This October 1989 guidance includes information on, among other things: overall City travel policy, standards for allowability of travel and education expenses, and procedures for obtaining travel and education authorization and advances. Although some sections of this guidance are still relevant, other sections no longer apply because they pertain to the prior accounting system. In fact, two of the three travel coordinators we interviewed told us that they do not refer to the handbook for guidance. For these reasons, the City-wide travel coordinator is in the process of updating the Accountant's Handbook. Further updates may be needed due to the expected implementation of the Travel Savings Project's recommendations.

In addition to the guidance described above, Section 3.19.10 of the Department of Finance's Accounts Payable manual

⁵ Per section 3.19.10, Post Audit, of the Department of Finance's Accounts Payable Manual dated May 14, 1991.

⁶ Section 55, Subsection 600, Travel and Education Reimbursement.

outlines what the Department of Finance does to monitor the departments' travel policies and procedures. However, this section is outdated and the steps it outlines are no longer followed by either the Department of Finance or most of the other departments. The City-wide travel coordinator is also updating this guidance to reflect the Department of Finance's current policies and planned procedures for monitoring the departments.

One method the Department of Finance plans to use to monitor the departments is to periodically verify a sample of travel vouchers selected from all City Departments to ensure that they comply with state laws and local regulations. Our office recommends that, as a minimum, the Department of Finance choose three departments each quarter, and then randomly select at least three vouchers from each department for verification. (Rotating the departments chosen each quarter would ensure that all City Departments are reviewed at least once every three years.) Travel vouchers will be checked for such things as whether the voucher is properly authorized, the travel is undertaken for a legitimate purpose, and the reported expenses are within the Runzheimer index.

Finally, the Department of Finance will periodically assess whether it should conduct training sessions on updated policies and procedures for the departments' travel coordinators. The Department of Finance may also want to consider developing and coordinating periodic sessions to provide travel coordinators the opportunity to share best practices across departments.

The Cost-Effectiveness of Automating the City's Travel and Training System Should be Assessed

Automating the City's travel and training system could result in cost savings by reducing the amount of administrative time spent processing and approving travel requests and claims for reimbursement and streamlining the process. Specifically, automating the City's travel and training system could reduce:

- the amount of time employees spend preparing travel and training requests and requests for reimbursement;
- the amount of time supervisors spend reviewing travel and training requests;

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- the amount of time administrative staff spend authorizing requests and providing information to employees;
 - overhead costs (e.g., less use of interoffice mail--paper, delivery time, etc.);
 - the need to manually enter travel-related data into the SFMS system;
 - the need to reconcile data from separate systems (SFMS and internal department records) for the annual travel report;
 - the need to maintain separate employee training databases; and
 - the need to use revolving funds to pay for travel and training expenditures.

For example, because the City-wide accounting system's (SFMS') reporting capabilities for tracking travel and training expenditures are cumbersome and do not provide easy access to information, various City Departments currently maintain separate databases for administering training. Automation of the City's travel and training system should eliminate the need to maintain separate databases for tracking this information. In addition, at least one City Department currently uses a revolving fund to expedite payments for travel and training related expenses and employee cash advances. Again, because one goal of an automated system would be to process payments to employees and vendors more efficiently, the need for a separate revolving fund could be eliminated under an automated system.

Various options exist for streamlining the authorization, accounting, and reporting of travel and training expenditures. These options include upgrading the SFMS travel system and enhancing its reporting capability or developing a stand alone system for travel and training. A third option is to enhance the City's new Human Resource Information System (HRIS) (which is being developed to replace the City's Personnel and Payroll System) by adding a travel and training component.

In the next two years, we suggest the City Executive evaluate the cost-effectiveness of automating and streamlining the City's travel and training system, either through an SFMS or HRIS enhancement or through a separate stand alone system that interfaces with the SFMS. This evaluation should take place after the major policy decisions regarding SFMS have been made and HRIS has been successfully implemented and deployed City-wide.

EXECUTIVE ACTION PLAN

1. The Department of Finance and the Office of the City Auditor identified three steps the Department of Finance can take to ensure that city employee travel is in compliance with state and local laws and regulations.
 - Update the Department of Finance’s policy guidance to departments, including, among other things, notifying employees to request government discount rates at hotels and explaining what the Department of Finance plans to do to monitor departments.
 - Periodically verify a sample of travel vouchers from all City Departments.
 - Provide training to departments in response to changes to City-wide travel policies.
2. In the next two years, we suggest the City Executive evaluate the cost-effectiveness of automating and streamlining the City’s travel and training system, either through an SFMS or HRIS enhancement or through a separate stand alone system that interfaces with the SFMS. This evaluation should take place after the major policy decisions regarding SFMS have been made and HRIS has been successfully implemented and deployed City-wide.

City of Seattle Travel Expenditures

City of Seattle 1991-94 Travel Expenditures

City of Seattle Travel Expenditures

DEPARTMENT	1991	Percentage ^a	1992	Percentage ^a	1993	Percentage ^a	1994	Percentage ^a
Administrative Services	133,919	11.90%	146,211	12.86%	155,539	13.49%	150,215	10.92%
Arts Commission	343	0.03%	3,010	0.26%	1,195	0.10%	1,910	0.14%
Ethics/Elections	0	0.00%	140	0.01%	146	0.01%	0	0.00%
City Light	388,657	34.52%	268,597	23.63%	204,328	17.72%	303,416	22.07%
Construction & Land Use	17,404	1.55%	23,802	2.09%	46,209	4.01%	44,961	3.27%
Engineering	102,458	9.10%	138,566	12.19%	69,307	6.01%	73,573	5.35%
Executive:								
Economic Development	0	0.00%	0	0.00%	5,993	0.52%	4,597	0.33%
Intergovern. Relations	23,099	2.05%	16,969	1.49%	32,070	2.78%	63,429	4.61%
Management & Budget	14,150	1.26%	16,670	1.47%	19,333	1.68%	35,826	2.61%
Office of the Mayor	16,487	1.46%	13,482	1.19%	21,358	1.85%	43,191	3.14%
Women's Rights	952	0.08%	680	0.06%	0	0.00%	931	0.07%
Finance	20,474	1.82%	27,846	2.45%	42,935	3.72%	20,268	1.47%
Fire	42,868	3.81%	65,635	5.77%	85,567	7.42%	109,188	7.94%
Hearing Examiner	140	0.01%	428	0.04%	0	0.00%	781	0.06%
Housing & Human Svcs.	61,994	5.51%	93,229	8.20%	103,435	8.97%	131,123	9.54%
Human Rights	12,873	1.14%	10,336	0.91%	1,364	0.12%	4,213	0.31%
Law	1,446	0.13%	2,289	0.20%	0	0.00%	0	0.00%
Legislative	19,519	1.73%	15,482	1.36%	32,190	2.79%	43,337	3.15%
Library	33,451	2.97%	32,587	2.87%	20,605	1.79%	28,746	2.09%
Municipal Court	26,784	2.38%	22,567	1.99%	40,628	3.52%	34,509	2.51%
Neighborhoods	0	0.00%	1,362	0.12%	401	0.03%	960	0.07%
Parks	29,213	2.59%	59,024	5.19%	58,208	5.05%	45,151	3.28%
Personnel	9,881	0.88%	8,920	0.78%	8,335	0.72%	7,483	0.54%
Police	62,955	5.59%	67,858	5.97%	101,262	8.78%	115,145	8.37%
PS Civil Service	58	0.01%	1,549	0.14%	367	0.03%	0	0.00%
Retirement	8,283	0.74%	6,583	0.58%	15,259	1.32%	13,166	0.96%
Seattle Center	7,739	0.69%	3,450	0.30%	1,646	0.14%	10,786	0.78%
Water	90,665	8.05%	89,518	7.87%	85,124	7.38%	88,186	6.41%
TOTAL	1,125,812	100.00%	\$1,136,790	100.00%	1,152,804	100.00%	1,375,091	100.00%

^aThe City Departments' percentage of travel expenditures for the year (the department travel expenditures for the year divided by the total City travel expenditures for the year).

Source: The Department of Finance prepared this table for the City Council Finance Committee in accordance with SMC 4.72.090 summarizing the City's travel expenditures for period January 1, 1991 to December 31, 1994. The table summarizes City employees' travel expenses incurred in conducting City business and out of town training. The expenses include meals and lodging, transportation to and from destinations and other necessary travel expenses related to conducting City business.

Travel Practices and Procedures

The following briefly summarizes the travel practices and procedures for processing and monitoring travel expenditures by the Fire Department, Seattle City Light and Office of Intergovernmental Relations (OIR).

1. Fire Department travel practices and procedures:

- Employees fill out the travel and training authorization forms and submit the forms through the Department's Chain of Command to the Chief of Training. The Training Coordinator (who works for the Chief of Training) reviews the authorization forms and sends them to the Chief of Training for signature. The Chief of Training forwards them to the Fire Chief and then the Finance Director for their signatures.
- The Chief of Training reviews the forms to monitor the overall quality of the training provided; the Operations Division Battalion Chief determines whether the training is mandatory to meet state and federal requirements (i.e., for specialty units) or if the training is job relevant; the Operations Division Deputy Chief reviews the forms and approves or denies them based on the overall training budget and overtime cost; the Assistant Chief of Operations reviews them for overall costs to the Department and authorizes time off; the Fire Chief reviews all paperwork that is processed; and the Finance Director reviews all Department expenditures.
- The Administrative Secretary registers employees for training, makes airline reservations; prepares memoranda authorizing employees to make hotel reservations and provides the Runzheimer Index⁷ rates for meals and lodging reimbursements.
- The Administrative Secretary assigns the appropriate SFMS account code and enters the data into the system. If employees request a cash advance, the Administrative Secretary processes these through the Fire Department's Accounts Payable Division. Cash advances are not issued sooner than five days prior to departure.
- Within ten days following the completion of travel, employees submit a claim for expenses form and appropriate receipts to the Administrative Secretary. The Administrative Secretary reviews the paperwork for accuracy and conformance to City policy and processes it for payment through the Fire Department's Accounts Payable Division. Accounts Payable processes reimbursements through SFMS. The Administrative Secretary forwards a copy of the completed travel package to the City's Department of Finance.

⁷ The Runzheimer Index is used to determine the maximum allowance for meal and lodging expenses by employees who are traveling on City business.

Travel Practices and Procedures

2. Seattle City Light travel practices and procedures:

- Employee fills out the travel and training authorization form and submits it to the supervisor and division manager or director for authorization and signature. After the request has been approved the form is routed to the Training Unit in the Human Resources Division if the training cost is charged to the training budget; otherwise it is sent directly to the Travel Desk in the Accounts Payable Division of Seattle City Light. The Training Unit enters the information in the training database system and forwards the forms to the Travel Desk.
- The Travel Desk reviews the travel and training form and sends the employee the airline ticket, the Runzheimer Index for hotel and lodging, the claims for expense form and if requested, credit cards for car rental and gas. A travel cash advance, if deemed appropriate, is issued from Seattle City Light revolving fund checking account⁸ five days before the trip. The employee or the unit travel coordinator makes the hotel and the airline reservations but the airline tickets are sent directly to the travel desk. Seattle City Light uses one designated travel agency to provide travel services.
- Within ten days following the completion of travel, the employee fills out and submits a claim for expenses form with the appropriate receipts attached. The form is signed by management and routed to the Travel Desk for review. The travel coordinator reviews the form and travel reimbursement check is issued from the revolving fund if the employee cash advance is not sufficient to cover cost. If the cash advance is more than the actual travel cost, the difference is returned to the City via the General Accounting Unit.
- Travel cash advance and reimbursement transactions are reviewed by the Accounts Payable Manager and entered in the SFMS accounting system when the revolving fund is replenished. General Accounting Unit staff reconcile the revolving fund bank statement on a monthly basis.

3. Office of Intergovernmental Relations (OIR) travel practices and procedures:

- Employee informs management about the local or international travel plan and provides the travel information in writing to the Administrative Secretary. The Administrative Secretary fills out the travel and training authorization form, which is then reviewed and signed by the Intergovernmental Relations Supervisor or the OIR Director.

⁸ The revolving fund is also used to pay for other employee related expenses and customer refunds. We did not review the revolving fund account.

Travel Practices and Procedures

- Employee or Administrative Secretary makes airline and hotel reservations, which are sometimes prepaid. International flights are sometimes organized by co-sponsoring groups. As a rule, OIR does not provide travel cash advances to employees, and travel expenses are reimbursed upon return from travel.
- Employee fills out and submits a claim for expenses form, usually within ten days of returning from travel. The expense form is signed by management and routed to the Administrative Secretary. The Administrative Secretary enters the expense account coding and submits for reimbursement a copy of the travel voucher (with receipts attached) to the Department of Finance. Department of Finance accounting staff enter the travel data in the SFMS system and issue travel reimbursement warrants to employees.
- OIR has three lobbyists who reside in or commute to Olympia when the Washington State Legislature is in session (three to five months at the beginning of the year). OIR issues a per diem allowance to each Olympia lobbyist based on the amount of the per diem established for Washington State legislative lobbyists.

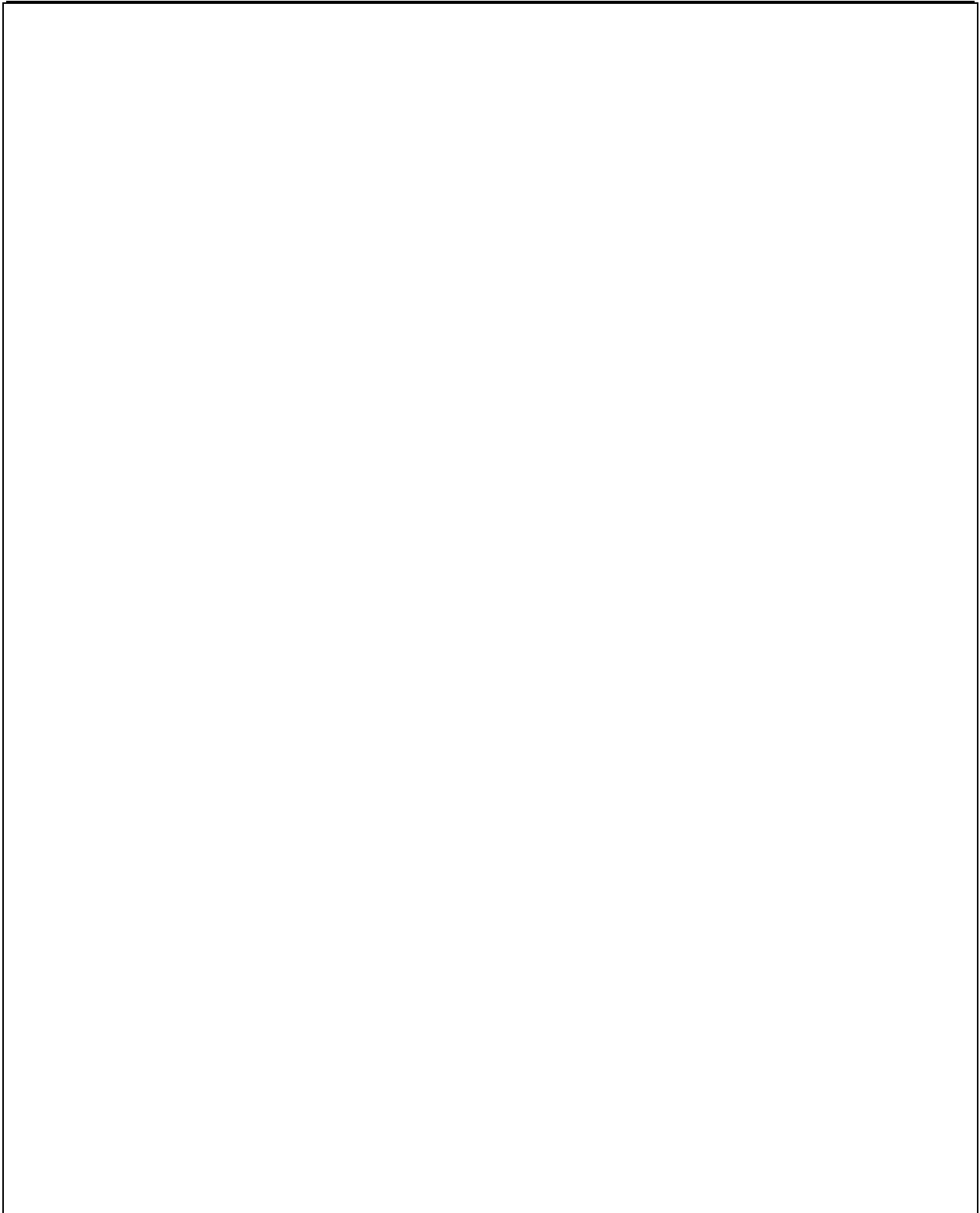
Response from Department of Finance

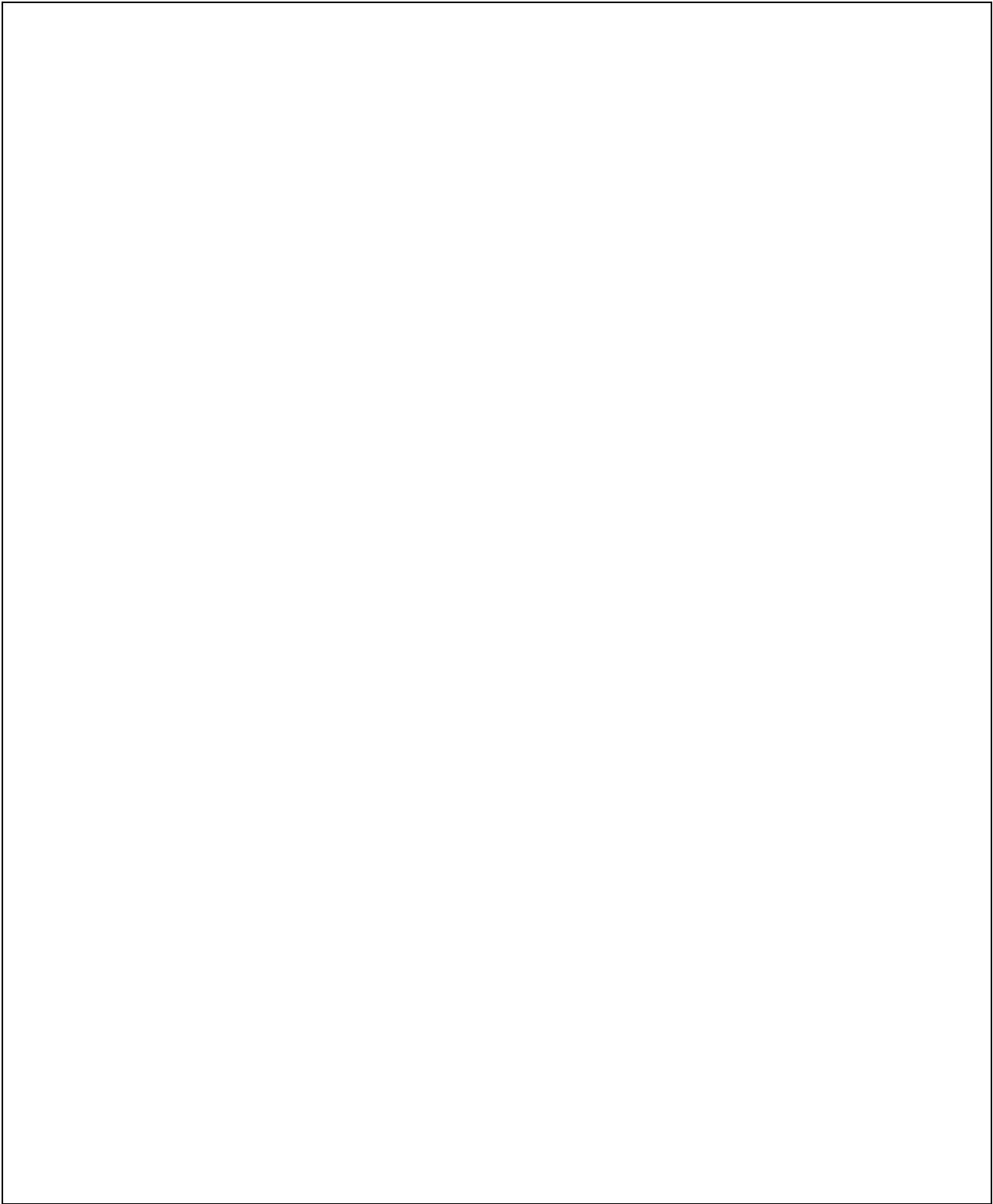
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Response from Department of Finance

Response from Seattle City Light

Response from Seattle City Light

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Response from HRIS Project/Personnel

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**FAX...WRITE...CALL...DROP BY...
HELP US SERVE THE CITY BETTER**

Our mission at the Office of City Auditor is to help assist the City in achieving honest, efficient management and full accountability throughout the City government. We service the public interest by providing the Mayor, the City Council and City managers with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the well-being of the citizens of Seattle.

Your feedback helps us do a better job. If you could please take a few minutes to fill out the following information for us, it will help us assess and improve our work.

* * * * *

Report: **Department of Finance Taking Steps to Improve Internal Controls Over City-wide Travel Expenditures, October 24, 1995**

Please rate the following elements of this report by checking the appropriate box:

	Too Little	Just Right	Too Much
Background Information			
Details			
Length of Report			
Clarity of Writing			
Potential Impact			

Suggestions for our report format: _____

Suggestions for future studies: _____

Other comments, thoughts, ideas: _____

Name (Optional): _____

Thanks for taking the time to help us.

Fax: 684-8587

Mail: Office of City Auditor, 1100 Municipal Building, Seattle, WA 98104-1876

Call: Nora J.E. Masters, City Auditor, 233-0088

Drop by and visit: 10th Floor of the Municipal Building